

MAINE STATE LEGISLATURE

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MINORITY
INSURANCE AND FINANCIAL SERVICES

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
121ST LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 760, L.D. 1043, Bill, "An Act To Provide Continued Access to Health Insurance for Small Business Employees"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

Sec. 1. 24-A MRSA §2809-A, sub-§11, as amended by PL 1991, c. 885, Pt. E, §30 and affected by §47, is repealed.

Sec. 2. 24-A MRSA §2809-A, sub-§11-A is enacted to read:

11-A. Continued group coverage: groups with fewer than 20 employees. Notwithstanding any other provision of this section, if the termination of a member's or employee's coverage under a group policy with 20 or fewer members is a result of the termination or reduction of hours of the covered employee's employment, other than termination of employment for gross misconduct, the insurer shall allow the member or employee to elect, within the time period prescribed by paragraph C, to continue coverage under the group policy at the same level of benefits or coverage offered to employees whose employment has not been terminated and at the member's or employee's expense or, at the member's or employee's option, to convert to a policy of individual coverage without evidence of insurability in accordance with this section. If the level of benefits or coverage offered to employees whose employment has not been terminated is modified, the level of benefits or coverage offered to a member or employee pursuant to this subsection must be modified in the same manner.

- 2 A. For the purposes of this subsection, "member or
4 employee" includes only a person who has been a member or
 employee for at least 6 months.
- 6 B. The employer's decision to terminate an employee for
8 gross misconduct is conclusive as to ineligibility for
 continued coverage under this subsection.
- 10 C. Within 14 days of a member's or employee's termination
12 of employment or reduction of hours of employment, other
14 than for gross misconduct, the employer shall give the
 insurer written notice on a form provided by the insurer of
16 a member's or employee's eligibility for an election to
 continue coverage under this subsection.
- 18 D. Within 14 days of the receipt of written notice from the
20 employer pursuant to paragraph C, the insurer shall send the
22 member or employee an election and premium notice form
24 approved by the superintendent. The form must provide the
26 member or employee an opportunity to elect or decline to
 elect continued coverage under the group policy and notify
 the member or employee of the applicable premium amount due
 after the election to continue coverage. The notice must be
 sent by first class mail to the last known mailing address
 of the member or employee.
- 28 E. The member or employee has 31 days from the receipt of
30 the election and premium notice form under paragraph D from
32 the insurer in which to elect continued coverage in writing
34 to the insurer and make the initial premium payment to the
 insurer. After the election, the insurer shall bill the
36 member or employee for premiums once each month with a due
 date on the first of the month of coverage subject to any
 grace period for payment pursuant to this Title.
- 38 F. An insurer is not required to continue coverage under a
40 group policy if the member or employee meets the conditions
 set out in subsection 3, paragraph A.
- 42 G. The payment amount for continued group coverage under
44 this subsection may not exceed 102% of the group rate in
 effect for a group member in the employer's group policy,
 including an employer's contribution, if any.
- 46 H. At the option of the member or employee, the continued
48 group coverage may cover the member or employee, the member
 or employee and any dependents or only the dependents of the
50 member or employee. In the latter 2 cases, the dependents
 must have been covered for a period of at least 3 months

2 under the group policy, unless the dependents were not
3 eligible for coverage until after the beginning of the
4 3-month period.

5 I. Except as provided in paragraph J, coverage provided
6 under this subsection continues for a maximum of 18 months
7 from the date of termination of the prior coverage.

8 J. Coverage provided under this subsection may be
9 terminated sooner than provided under paragraph I if:

10 (1) The member or employee fails to make timely
11 payment of a required premium amount;

12 (2) The member or employee becomes eligible for
13 coverage under another group policy or becomes entitled
14 to benefits under Title XVIII of the federal Social
15 Security Act; or

16 (3) The group health policy is terminated.

17 K. At the expiration of any continued group coverage
18 obtained under this subsection, the member or employee has
19 the same conversion privileges as otherwise granted under
20 this section.

21 L. This subsection may not be construed to:

22 (1) Prevent members or employees from negotiating for
23 or receiving greater continued coverage of group
24 insurance than is provided in this subsection;

25 (2) Require coverage beyond the time limit set in
26 paragraph I; or

27 (3) Permit a member or employee to increase the level
28 of benefits or coverage that the member or employee
29 received immediately before the termination of the
30 employee's coverage under the employer's group policy.

31 M. This subsection does not apply to any group policy
32 subject to the United States Consolidated Omnibus Budget
33 Reconciliation Act, Public Law 99-272, Title X, Private
34 Health Insurance Coverage, Sections 10001 to 10003.

35 N. The superintendent may adopt rules as necessary to
36 implement the requirements of this subsection. Rules adopted
37 pursuant to this subsection are routine technical rules as
38 defined in Title 5, chapter 375, subchapter 2-A.

